

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED

08-24-07
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In the Matter of the Application of California-American Water Company (U 210 W) for an order authorizing it to increase its rates for water service in its Los Angeles District to increase revenues by \$2,020,466 or 10.88% in the year 2007; \$634,659 or 3.08% in the year 2008; and \$666,422 or 3.14% in the year 2009

A.06-01-005

**CALIFORNIA-AMERICAN WATER COMPANY NOTICE OF EX PARTE
COMMUNICATION**

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Date: August 24, 2007

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OF THE STATE OF CALIFORNIA**

In the Matter of the Application of California-American Water Company (U 210 W) for an order authorizing it to increase its rates for water service in its Los Angeles District to increase revenues by \$2,020,466 or 10.88% in the year 2007; \$634,659 or 3.08% in the year 2008; and \$666,422 or 3.14% in the year 2009

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COMMUNICATION**

In accordance with Rule 8.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), California-American Water Company (“California American Water”) hereby submits this notice of ex parte communications with Jane Whang, advisor to Commissioner Chong and Hazlyn Fortune, advisor to Commissioner Gruenich. On Tuesday, August 21, 2007 at 3:00 p.m. David Stephenson, Manager of Rate Regulation of California American Water, and Lori Anne Dolqueist of Steefel, Levitt & Weiss, counsel to California American Water, met with Ms. Whang and Ms. Fortune at the Commission’s offices. The meeting lasted approximately 30 minutes and consisted of the oral and written communications discussed below.

Mr. Stephenson and Ms. Dolqueist discussed the *Comments of California-American Water Company on the Alternate Proposed Decision of Commissioner Peevey*, filed August 13, 2007 (“Comments”) and the *Reply Comments of California-American Water Company on the Alternate Proposed Decision of Commissioner Peevey* (“Reply Comments”) and provided copies of the Comments and Reply Comments to Ms. Whang and Ms. Fortune.

California American Water stated that it supported the Alternate Decision’s recommendation of a conservation loss adjustment mechanism (“CLAM”), in particular because it would not necessitate an adjustment to California American Water’s return on equity (“ROE”). California American Water noted that since the CLAM would not reduce California American

Water's current level of risk, it would not merit a ROE reduction. Finally, California American Water explained that generally, a comparison of the rate case weather normalized projected consumption to the actual consumption and weather would provide insight as to the changes in water volume sales due to conservation measures and could be used to calculate the CLAM.

Parties may request a copy of this notice by contacting:

Cinthia Velez
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Dated: August 24, 2007

Respectfully submitted,

STEEFEL, LEVITT & WEISS
A Professional Corporation

By: 

Lori Anne Dolqueist
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PROOF OF SERVICE

I, Cinthia A. Velez, declare as follows:

I am employed in the City and County of San Francisco, California. I am over the age of eighteen years and not a party to this action. My business address is STEEFEL, LEVITT & WEISS, One Embarcadero Center, 30th Floor, San Francisco, California 94111-3719. On August 24, 2007, I served the within:

California-American Water Company Notice of Ex Parte Communication

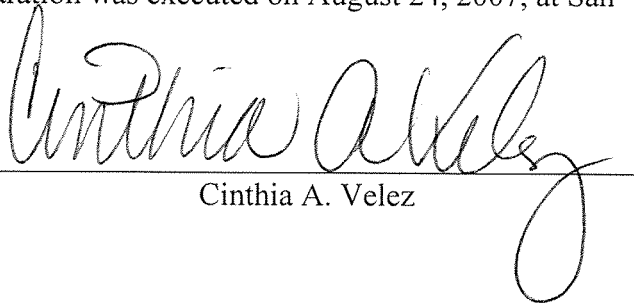
on the interested parties in this action addressed as follows:

See attached service list



(BY PUC E-MAIL SERVICE) By transmitting such document(s) electronically from Steefel, Levitt & Weiss, San Francisco, California, to the electronic mail addresses listed above. I am readily familiar with the practices of Steefel, Levitt & Weiss for transmitting documents by electronic mail, said practice being that in the ordinary course of business, such electronic mail is transmitted immediately after such document has been tendered for filing. Said practice also complies with Rule 1.1 of the Public Utilities Commission of the State of California and all protocols described therein.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on August 24, 2007, at San Francisco, California.


Cinthia A. Velez

VIA PUC E-MAIL SERVICE

A.06-01-005

Last changed: August 22, 2007

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